



May 11, 1959

To: Contracting Officer, Contract SP-1920

Subject: Proposal for Definitive Contract

This confirms our previous quotation of \$1,250,000.  
The price breakdown is attached.

The work includes the modification of four aircraft, installing the J-75 engine; flight test of the first aircraft for approximately four months; and the supply of initial-support spare parts and G. H. E. , peculiar to the revised configuration.

We believe that we can accept a ceiling of \$1,500,000, and expect to confirm that more definitely in about one week.

Yours truly,

*Bob*

*Received  
J. K. [unclear]  
5/11/59*

Encl #1  
DPP-3338-59  
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CONTRACT SP-1920MODIFICATION OF FOUR (4) AIRCRAFT TO J-75 CONFIGURATIONPRICE BREAKDOWN

Mfg. & Assembly & Tooling	
Labor	\$ 520,000
Material	<u>100,000</u>
Manufacturing Cost	\$ 620,000
Design	136,500
Manuals	25,000
**Flight Test	260,000
*Spare Parts	80,000
*Ground Handling Equipment	<u>20,000</u>
Total Cost	\$ 1,141,500
Profit @ 9.5%	<u>108,500</u>
Price	<u><u>\$ 1,250,000</u></u>

\*Spare parts and GHE are being covered by Depot Purchase Request forms for accountability purposes, although costs are charged to SP-1920.

\*\*Flight Test - four (4) month program on #1 prototype; shake-down and delivery on #2 thru #4.